

## PropTrack's response to the ACCC's Issues Paper in relation to the *Digital Platform Services Inquiry: Report on data brokers*

### 1. Executive summary

PropTrack welcomes the opportunity to provide input to the ACCC Digital Platform Services Inquiry report regarding data brokers.

Consistently with the Ministerial Direction for the Inquiry, the Issues Paper defines a “data broker” very broadly as “a supplier who collects personal or other information on persons, and sells this information to, or shares this information with, others”. As the ACCC acknowledges, that definition captures a variety of businesses with highly differentiated operations and business models.

PropTrack supplies valuation tools and property data insights related to residential property. The raw property data used to supply PropTrack's services is primarily obtained from public sources, including State/Territory land titles offices, State/Territory Valuers General and Geoscape Australia, but also from proprietary sources, including the property listing portal [realestate.com.au](https://www.realestate.com.au) operated by PropTrack's parent company, REA Group Limited (**REA**).

PropTrack's business model is based on our ability to organise and analyse large volumes of property data and make it available to customers in an insightful and easy-to-use format. Our customers, which include banks, property valuers and local and State governments, value our products because they assist to increase property price transparency, enhance productivity and reduce operating costs and carbon emissions (by reducing the need for physical inspections).

Distinct from the ACCC's definition of a “data broker”, PropTrack's business is not focused on personal information. The limited personal information that we do collect is peripheral to our core activities and is generally used (if at all) in a manner that does not involve disclosure to third parties of information relating to an identified or identifiable person.

We have robust systems and controls to ensure proper protection of any personal information we do obtain. We have a clear understanding of, and respect for, restrictions placed on the data by the relevant supplier. Any disclosures of personal information occur strictly in accordance with the terms on which the data was supplied to us. For these reasons, while we recognise the importance of the ACCC seeking to understand how data brokers collect, process and analyse personal information and to what extent consumer risks arise, we consider that our business model and operating practices are less likely to give rise to such risks.

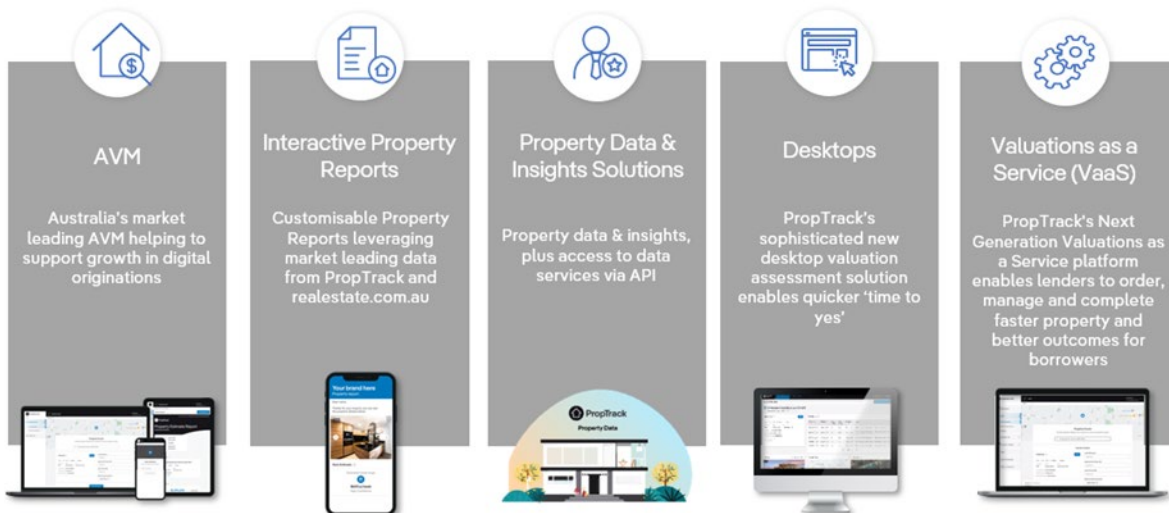
### 2. PropTrack's data products and services

PropTrack was established in Australia in 2008 and was acquired by REA in 2018. Prior to its acquisition by REA, PropTrack was known as Hometrack and was a subsidiary of a UK company. REA changed the name of the business to PropTrack in 2021.

PropTrack is a highly innovative business and has been at the forefront of the development of automated property valuation tools, in particular with our automated valuation model (**AVM**), a computer-based algorithm which uses data and statistics to value properties in real time.

PropTrack has two main business divisions, Mortgage Solutions and Property Data, through which we offer property valuation tools and property data and market insights to banks, property valuers and local and State governments. Our valuation tools are also made available (via REA's Ignite tool) to real estate agents and (via [realestate.com.au](https://www.realestate.com.au)) to consumers. Our key products and services are summarised in Figure 1 below.

**Figure 1: Summary of PropTrack’s data products and services**



## 2.1. Mortgage Solutions

The main offering of our Mortgage Solutions division is the PropTrack Valuations as a Service platform, a suite of property valuation tools. The PropTrack Valuations as a Service platform consists of three core products that integrate with each other and offer complementary functionality. However, each product is also offered to customers on a standalone basis. These products include:

- PropTrack AVM:** The PropTrack AVM provides property valuations for residential properties based on first and third-party property data. Our AVM has national coverage and can be used to value more than 12 million properties. The AVM is built with machine learning technology and can be integrated with customers’ existing systems and workflows, which in combination with the customer’s internal models improves their lending, insurance and valuation decisions. In addition, PropTrack has recently developed a rental AVM, which provides valuations for residential rental properties. The rental AVM is available to consumers on [property.com.au](https://www.property.com.au), REA’s property research website.

A version of our AVM functionality is also made available to consumers on [realestate.com.au](https://www.realestate.com.au) through realEstimate and to real estate agents through REA’s Ignite tool.<sup>1</sup> realEstimate gives consumers an indication of a property’s value based on historical sale prices, the property type, land area, local price trends and other data.

- PropTrack Desktop:** PropTrack Desktop is a web-based tool for commercial users that allows valuers to perform detailed property valuations for lenders without the need to physically inspect the property. This tool was built in collaboration with valuers and lenders and is designed to allow them to complete property assessments faster and more efficiently.

The Desktop tool may be used as the primary valuation tool or as a secondary valuation tool (after the AVM) where the customer requires a more comprehensive assessment of a property’s value (see Figure 2 below). While providing in-depth analysis of a property’s value, the Desktop tool is also a faster and cheaper way of valuing a property than physical valuations, typically taking less than one business day to complete compared to 2–5 days for a

<sup>1</sup> See: [https://www.realestate.com.au/property/?sourcePage=rea:homepage&sourceElement=product-entry-cta-buying-track\\_property](https://www.realestate.com.au/property/?sourcePage=rea:homepage&sourceElement=product-entry-cta-buying-track_property).

physical valuation. Like the AVM, the Desktop tool also avoids the need to visit the property, which lowers costs and reduces carbon emissions.

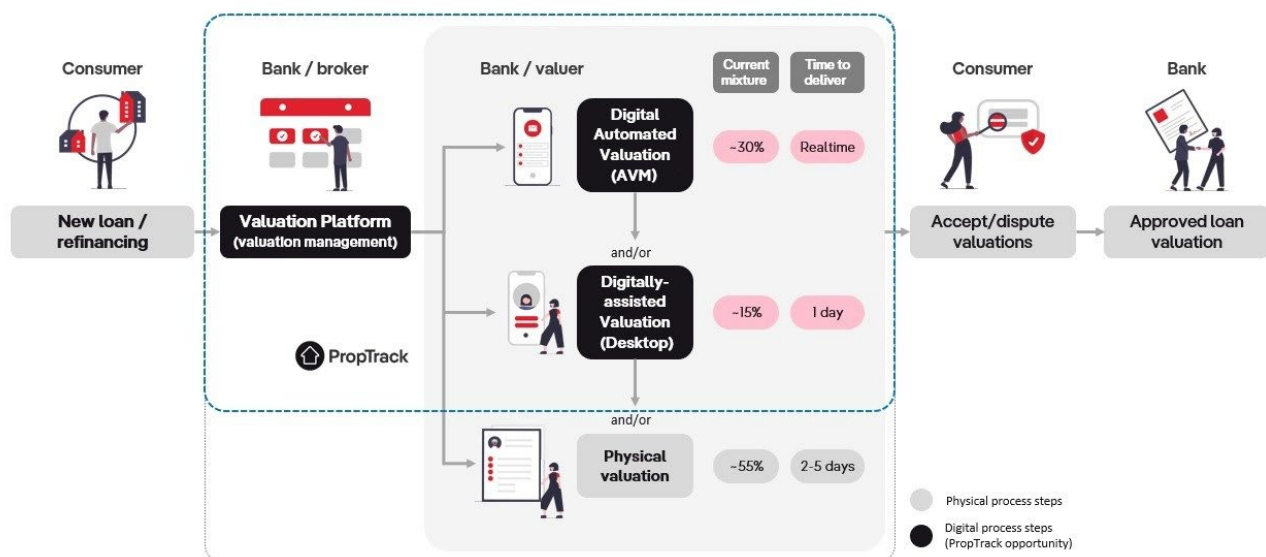
PropTrack Desktop works in conjunction with our AVM, property data APIs and property imagery from [realestate.com.au](https://www.realestate.com.au) to give customers the tools and information they need to perform property assessments based on their own risk and compliance needs. It also includes a recommendations engine that provides a list of comparable properties (based on defined criteria, including sales settled in the past six months), as well as additional market insights and trends to assist the valuation process.

- PropTrack Portfolio Manager:** PropTrack Portfolio Manager allows customers to conduct valuations for an entire property portfolio. The Portfolio Manager leverages our AVM to enable batch property valuations across a loan portfolio, including on specific segments of the portfolio, to assess potential credit risks. This tool is frequently used, for example, by risk analysts within banks to monitor credit risk associated with a mortgage portfolio.

PropTrack's Mortgage Solutions tools can be used by banks, property valuers and local and State governments. Banks use the platform to support their mortgage lending decision-making and risk assessment processes. The platform also automates and streamlines workflows for valuers who are appointed by banks. Local and State governments use the platform to determine a property's value for the purpose of assessing council rates and land tax.

The typical property valuation process is summarised in Figure 2 below. The services within the blue dotted line are offered by PropTrack.

**Figure 2: Summary of the typical property valuations process and PropTrack's services**



## 2.2. Property Data

PropTrack's Property Data division offers customers a range of property data products and services, including:

- Property Data:** We have a database of property data relating to over 12 million residential and commercial properties across Australia and covering a 45-year period. We offer a range of different data points, including current and historical property listings, historical sale and rental transactions data, property supply and demand data, property valuations, market insights and

forecasts. Customers can access the data via application programming interface (**API**) or by requesting a data extract:

- **(PropTrack's APIs)** Customers can use PropTrack's APIs to access and incorporate data into their internal applications in real-time, which avoids the need to download or store the data locally. Our APIs are also highly customisable, allowing customers to specify what data they want to access and how it is formatted.
- **(Data extracts)** Data extracts are static files containing a fixed set of data. They are a useful solution for customers that require a large data set for a specific analytical purpose, because accessing large volumes of data via an API may not be practicable.
- **Property Reports:** Property Reports are property-specific reports that allow customers to visualise and digest property data in an interactive format. Our Property Reports are highly configurable and include information such as address, key property details, property history, estimated value, comparable sales, median price guides and photo galleries. The reports automatically update as new data becomes available, removing the need for customers to generate new reports. Our Property Reports provide clear, up-to-date and detailed information about a property and are mainly used by banks and mortgage brokers.
- **PropTrack Home Price Index:** The PropTrack Home Price Index is a monthly report on the monthly and annual price growth and median value of residential properties in Australia. It breaks down price information on a national, capital city and regional basis by property type (houses, units and all dwellings). It is also a revisionary index, with the entire index being recalculated each month, allowing new and updated data to be incorporated to provide up-to-date data on housing market transactions. The index, which is freely available on PropTrack's website at [proptrack.com.au/home-price-index/](https://proptrack.com.au/home-price-index/), is referred to by the Reserve Bank of Australia and market analysts.<sup>2</sup>
- **News & Insights:** Our property economics team regularly publishes articles and reports on the Australian property sector. These insights are available on PropTrack's website, and address topics such as rental conditions, house prices, impacts of the latest Federal budget and market forecasts. The News & Insights and Home Price Index are used in particular by journalists as the basis for articles on property market trends.

PropTrack is currently developing new models to estimate the propensity of properties to list and sell, as well as the propensity of individuals to refinance.<sup>3</sup> PropTrack customers will be able to input their own first-party customer data into the propensity to refinance model and, with the results, have better informed conversations with their customers.

The main customers of our Property Data division are banks, mortgage brokers and property valuers.

### 2.3. PropTrack's fee structure

PropTrack generates revenues by licensing our Mortgage Solutions and Property Data products and services, either on a subscription or consumption basis. For example:

- **Mortgage Solutions:** Customers can choose to license PropTrack's mortgage solutions as a suite of products, PropTrack Valuations as a Service platform, or as stand-alone products. In most cases, customers license our products for a monthly subscription fee, but some customers also pay on a consumption basis; for example, according to the number of AVM

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<sup>2</sup> For example, see page 28 of the Reserve Bank of Australia's May 2023 Statement on Monetary Policy: <https://www.rba.gov.au/publications/smp/2023/may/pdf/statement-on-monetary-policy-2023-05.pdf>.

<sup>3</sup> See: <https://www.proptrack.com.au/products/property-data-and-insights/>.

valuations or the number of Desktop reports they carry out in a given month. Consumption-based fees may also be tiered, with lower charges per use as consumption increases.

- **Property Data:** Customers that use our Property Data APIs pay a monthly licence fee as they can access data and run and refine data searches on a continual basis. For data extracts, which are static files, we charge per extract according to the parameters of the data request.
- **Property Reports:** Customers pay for our Property Reports tool on a licence fee or consumption basis. Smaller customers tend to pay per report, while larger customers typically prefer to pay a monthly fee for unlimited reports.

Some of PropTrack's data products and services are available at no cost, such as the Home Price Index and our News & Insights, which are available on our website, and realEstimate, which is available to users of [realestate.com.au](https://realestate.com.au).

### 3. The benefits of property data products and services

Digitalisation of the property sector, and the development of property data products and services such as those offered by PropTrack, have produced a number of benefits for consumers, real estate agents, mortgage lenders, insurers and other stakeholders in the sector, including:

- **Increased productivity:** Our products have significantly increased productivity for our customers, as they have automated previously manual and labour-intensive processes associated with property valuation and mortgage lending. For example, mortgage lenders can assess multiple loan applications in parallel and carry out regular real-time analyses of large loan portfolios; and property valuers can produce a detailed property report within one business day, from a single source and without the need to physically visit the property.
- **Lower costs and environmental impact:** As a result of efficiencies and increased productivity, customers can make significant cost savings through reduced staffing, technology, travel and opportunity costs. The ability to carry out accurate and detailed property valuations remotely avoids the need for property valuers to carry out physical inspections, which in aggregate significantly reduces car travel and therefore carbon emissions, with benefits for the environment.
- **Price transparency and market efficiency:** Access to PropTrack's property valuation tools and data have increased property price transparency, which has benefited all market participants. In particular:
  - Real estate agents can market properties at a particular price with greater confidence and mortgage lenders have access to up-to-date price data, which enables efficient decision-making, more accurate risk assessments and the efficient allocation of capital; and
  - Consumers can make better informed decisions regarding the sale, purchase or rent of residential property (reducing the substantial information asymmetry with property professionals), for example using valuation tools, such as realEstimate, or via access to sold prices on property listing portals.
- **Lower barriers to entry:** PropTrack's powerful and cost-effective valuation and workflow tools lower barriers to entry and expansion for all customers. For example, the products increase the capacity of smaller mortgage lenders to consider loan applications and reduce their operating costs, and property valuers can likewise produce a higher volume of property valuations at a lower cost.

## 4. The types and sources of property data used by PropTrack

### 4.1. Data types

Given the focus of PropTrack's business, the vast majority of data that we collect is property-related and does not relate to individuals. The main types of data that we acquire for use in PropTrack products and services include:<sup>4</sup>

- **Property details:** property address, floorplan and boundary information, property images, property features (e.g., number of rooms, amenities) and, in some instances, the name of the property owner;<sup>5</sup>
- **Property transaction history:** property listings, properties sold, properties leased, sale prices, property history and land valuation data;
- **Neighbourhood demographics:** points of interest, schools, transport proximity, hospital zoning and property zoning;
- **Risk factors:** environmental hazards, natural hazard ratings and planning insights; and
- **Market activity:** [realestate.com.au](https://www.realestate.com.au) aggregated audience behavioural data (e.g. site visits and clicks on listings statistics). PropTrack does not receive personally identifiable information from [realestate.com.au](https://www.realestate.com.au).

As such, PropTrack acquires or collects only a limited amount of personal information. However, for the reasons set out in section 5 below, PropTrack's acquisition of such data is unlikely to raise consumer risks of the type identified by the ACCC in the Issues Paper.

### 4.2. Data sources

The raw data used to supply PropTrack's property data services is primarily obtained from public sources, including State land titles offices, State Valuers General and Geoscape Australia, but also from proprietary sources, including [realestate.com.au](https://www.realestate.com.au).

Therefore, the data used by PropTrack is a mix of first and third-party data and, to the extent it is third-party data, the data is generally publicly available:

- **Land titles offices:** Land titles office records are publicly available and are one of the main sources of property transaction data relied on by PropTrack.<sup>6</sup> This information is licensed from the relevant State or Territory land titles office. While the precise terms vary, restrictions on access to personal information are a feature of all State and Territory licences. To the extent PropTrack acquires personal information, PropTrack is prohibited from using that information for direct marketing purposes. In general, we access this information through data downloads from the relevant database.
- **Valuers General offices:** Valuers General records are also publicly available and provide land valuation and other property data, including title references, sales history and, in some cases, property ownership details. This information is licensed from the relevant Valuer General. In general, we access the information through data downloads, with the terms of access varying by State/Territory. In some cases, the data is available for free and in other cases for a fee.

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<sup>4</sup> See: <https://www.proptrack.com.au/products/property-data-and-insights/>.

<sup>5</sup> PropTrack receives property owner names from some State Valuers General.

<sup>6</sup> PropTrack typically obtains property transaction data from *either* the Land titles office or Valuer General office in each State/Territory; the source varies by State/Territory.

- **Geoscape Australia:** Geoscape is the trading name of Public Sector Mapping Agencies Australia Limited, which is an independent and self-funded government-owned company. Geoscape provides spatial data for land and properties across Australia.<sup>7</sup> We acquire this data under a licence via data downloads.
- [realestate.com.au](https://www.realestate.com.au): PropTrack receives certain property data from [realestate.com.au](https://www.realestate.com.au). That data includes listings information, property details, agency details, listings and aggregated audience behavioural data.

## 5. Potential consumer law risks

PropTrack's business model is based on our ability to organise and analyse large volumes of data about properties, which for the most part is publicly available, and make it available to customers and consumers in an insightful and easy-to-use format.

As a consequence, we consider that our business is less likely to give rise to consumer risks of the type identified in the Issues Paper. To the extent that we acquire personal information, such information is peripheral to our core activities and is generally used (if at all) in a manner that does not involve disclosure to third parties of information relating to an identified or identifiable person. For example:

- PropTrack acquires property owner names in data downloads from certain State Valuers General, but that information is publicly available and we do not use it in our AVM or provide access to it as part of our Property Data offering.<sup>8</sup>
- PropTrack acquires aggregated audience behavioural data, such as site visit and clicks on listings statistics, from REA. The collection of such statistics by REA is clearly disclosed in REA's privacy policy and consistent with typical data practices across the internet. The data received by PropTrack is also aggregated and de-identified.
- While our customers include, for example, mortgage lenders, we do not supply personal information about a consumer's credit history that could be used in mortgage lending decisions.
- We do not use personal information to create individual profiles or build consumer audiences, so our services cannot be used by our customers for direct marketing purposes.

In any event, we have robust systems and controls in place to protect the personal data that we do acquire.

- **We have a clear understanding of, and respect for, restrictions on data that we receive:** To the extent we acquire data from [realestate.com.au](https://www.realestate.com.au), we do so in accordance with the Privacy Act and subject to the terms of REA's Privacy Policy. In respect of data licensed from third parties, such as Land titles and Valuers General offices, relevant licence agreements generally contain specific restrictions or limits on the permitted uses of the licensed data – for instance, Valuer General contracts generally strictly limit the disclosure of owner information (e.g. the information cannot be sold, sub-licensed or downloaded, and may only be accessed for the limited purposes set out in the licence). Valuer General contracts also contain strict record-keeping and audit requirements. PropTrack is cognisant of, and careful to conform with, those restrictions. This is important to PropTrack to (i) ensure strict compliance with the terms of its licences (which often contain strict termination rights for any misuse of the data);

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<sup>7</sup> Spatial data describes the shape and location of features and boundaries such as natural features, buildings, survey marks, land parcels, street addresses and local government and administrative boundary areas.

<sup>8</sup> REA plans to use property owner names in future as part of its Comparative Market Analysis product, but at this stage only for identity verification purposes (i.e. so real estate agents can know they are talking to the owner of the property). When this occurs, REA will track agents' access to the ownership data in accordance with our Valuer General contracts, which require us to maintain accurate records for audit purposes.

(ii) ensure that its use of the data is consistent with the consent obtained, and user expectations created, by the parties that collected the data; and (iii) to protect our reputation as a trusted guardian of the information that we receive.

- **We place restrictions on data that we supply:** Any disclosures of personal information occur strictly in accordance with the terms on which the data is supplied to us. We also impose additional restrictions on our customers, such as restricting their ability to download the information, re-supply it or use it for marketing purposes. To the extent that we supply property data and market insights, customers may only publish the data in limited circumstances.
- **We have close relationships with our customers:** Compared to many other digital businesses, PropTrack has a relatively narrow customer base, comprised mainly of banks, property valuers and local and State governments. As a result, we have a clear understanding of the number and identity of our customers and close relationships with each of them. Therefore, we are in a position to communicate their data obligations to them more clearly and discuss with them any data-related issues that may arise.
- **We place great importance on data security:** Given the importance of data to our business, we have made significant investments to ensure high levels of data security. In 2018, we obtained ISO/IEC 27001 certification across all our products. ISO/IEC 27001 is an internationally-recognised standard for information security that sets out the requirements for an effective information security management system (ISMS).<sup>9</sup> PropTrack's ISMS includes security practices for access controls, cryptography, data loss prevention, data retention and sanitation, and information security classifications. A number of our products are also Systems and Organisation Controls Type 2 compliant, which is a voluntary compliance standard that certifies the effectiveness of an organisation's internal controls in protecting customer data. Prior to making any new information available to customers, PropTrack undertakes extensive preparatory work to ensure sufficient safeguards to protect the data once it is made available.

PropTrack will, of course, carefully consider the ACCC's findings in this review to evaluate other areas where its data practices may be able to be further improved.

## 6. Competition in the supply of property data services

In recent years, the property technology or 'proptech' sector has grown rapidly from an estimated 188 companies in the sector in Australia in 2019 to 478 companies in 2023.<sup>10</sup> This growth reflects the extent of new entry and innovation across the sector, facilitated by the widespread adoption of cloud-based (Software-as-a-Service or SaaS) technology and machine learning tools.

PropTrack competes in the property data services segment of the proptech sector. Like the sector more widely, property data services have undergone significant change in recent years. Land titles offices have digitised their historic records and now record property transactions electronically. Those records are now accessible by the public online. Similarly, other sources of property data, such as Valuers General offices and Geoscape Australia, are also easily and widely accessible online. Properties for sale or rent are listed online, generally on multiple online portals such as [realestate.com.au](https://realestate.com.au), [domain.com.au](https://domain.com.au), [allhomes.com.au](https://allhomes.com.au), [onthehouse.com.au](https://onthehouse.com.au), [homely.com.au](https://homely.com.au), [rent.com.au](https://rent.com.au) and [view.com.au](https://view.com.au) (and their equivalent mobile apps). The volume and availability of property data has therefore increased substantially and, in tandem, analytical tools have emerged and evolved to value property more accurately and assess market trends more accurately.

<sup>9</sup> For more information, see the ISO website here: <https://www.iso.org/standard/27001>.

<sup>10</sup> See: <https://proptechassociation.com.au/proptech-association-launches-2023-australian-proptech-map/>.



PropTrack competes with an array of property data businesses, some examples of which are listed below.<sup>11</sup> A number of these companies have recently entered the market and/or have significantly expanded their product offering. We compete with those companies to provide property valuation tools and property data that are accurate, detailed, up-to-date and user-friendly. As our competitors are constantly developing and improving their property data services, PropTrack must continually innovate to stay relevant and attractive to our customers.

- **CoreLogic:** CoreLogic is a multi-national property data and analytics company that provides a number of property data-related products and services, including property datasets and modelling (including its Home Value Index), AVMs, valuation workflow platforms, mortgage solutions, news and research platforms.
- **Domain Insight:** Domain Insight is the property data business of ASX-listed Domain Holdings Australia Limited, which incorporates the Insight Data Solutions (**IDS**) business it acquired in 2021. Domain Insight supplies property data services including its Pricer tool (which offers an AVM, validates property details, generates price estimates and provides insights into consumer demand and suburb performance), property data (supplied via APIs and data extracts) and property reports.
- **Valocity Global:** Valocity Global provides a cloud-based property valuations platform, offering data insights and analytics, AVMs, desktop valuations, valuation frameworks and workflows, and virtual inspections. Valocity has partnered with the Australian Property Institute to launch the API Property Exchange, a property research and valuation tool. In 2022, Valocity and Real Estate Industry Partners launched Nexus, a tool that provides comparative market analysis, property data insights and digital workflows for real estate agents.
- **National Property Group:** In 2020, National Property Group launched the National Property Data Platform, which offers property data, market insights, an AVM and comparative market analysis tools.
- **Landchecker:** Landchecker provides property information and data services to help customers conduct property research. Its products include property reports, sales data, aerial maps and imagery, and planning information (including its Site Finder tool). Landchecker also facilitates land title and property document searches.
- **Archistar:** Originally established as an education portal, Archistar entered the property data sector in 2018. Archistar provides an “all-in-one” property platform that allows property developers, architects, home builders and government and planners to find and assess property development sites. The services provided, including through partnerships with CoreLogic and Domain, include site assessments, development due diligence reports, property transaction data, planning data, property listings information and design and analysis tools.
- **PropertyData:** PropertyData is a Victoria-focused property data provider with a database of more than 15 years of rental and transaction data. It was recently acquired from the Real Estate Institute of Victoria by Hutly, a proptech start-up, to support Hutly’s nationwide roll-out of a contract management platform.<sup>12</sup> PropertyData is used by real estate agents for sales and auction results, property and sales histories, property reports, comparative market analysis and market trends and insights.

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<sup>11</sup> The Proptech Association Australia produces a map of the Australian proptech ecosystem, which in 2023 identified 37 companies in the “Data, Analytics, Insights & AI” segment: <https://proptechassociation.com.au/proptech-association-launches-2023-australian-proptech-map/>.

<sup>12</sup> See: <https://www.hutly.com/news/hutly-acquires-victorias-most-complete-property-data-platform-paves-way-for-nationwide-expansion>.

- **Property Edge:** Property Edge is owned by Land Services South Australia, a private company that provides transactional land services and property valuations services in South Australia. Property Edge provides property sales and ownership information, property valuation details and building information. It also provides customers with custom property data sets, examines plans for land divisions, and provides property valuations to the South Australian Valuer General.

## 7. Conclusion

PropTrack recognises the importance of the ACCC seeking to understand how data brokers collect, process and analyse personal information and to what extent consumer risks arise. The Issues Paper defines “data broker” very broadly and therefore captures a variety of businesses with highly differentiated operations and business models. As set out above, we consider that PropTrack’s operations are less likely to give rise to consumer risks given our business model, operating practices and robust systems and controls.

We look forward to engaging further with the ACCC in this Inquiry.